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DWD Solicits W-2 Requests for Proposals for 2006-09 ***State makes major changes for improved accountability and*** ***workforce attachment success***

Madison - Department of Workforce Development (DWD) Secretary Roberta Gassman announced today that DWD is soliciting Requests for Proposals (RFP) from agencies and consortia seeking to administer Wisconsin Works (W-2) and Related Programs in Wisconsin for the next W-2 contract cycle.

This is the fifth RFP that has been released to solicit bids to operate W-2 since it was started in Wisconsin in 1997. The new RFP makes a strong departure from earlier solicitations, emphasizing jobs for participants and tighter financial controls for W-2 agencies. Early in the W-2 program, much discretion was delegated to W-2 Agencies. Based on experience gathered about this complex program over the last nine years, agencies will be held to uniform performance expectations.

"W-2 is an important program to move low-income families on the path to self-sufficiency," Secretary Gassman said. "The Doyle administration has taken strong steps to improve W-2 and increase accountability to the state and to our taxpayers. The steps we are taking today will enhance and strengthen these efforts - moving participants into jobs and helping them retain those jobs. Most importantly, it will help W-2 participants develop career paths that will lead them out of poverty."

Chief among the improvements outlined by DWD in the RFP are specific changes for the delivery of services in Milwaukee County, where the largest population of the state's caseload resides, separating the different W-2 functions of case management, job development and Social Security Income/Social Security Disability Income (SSI/SSDI) eligibility determination (see attached diagram). Having different entities compete and specialize in the delivery of separate W-2 services will produce better outcomes for participants and stronger connections to employers.

"I have always believed that there is no better social program than a good paying job," Secretary Gassman said. "The improvements the Doyle administration is making today will ensure that individuals who work hard and play by the rules will have the opportunity to achieve employment and economic success in the future. We will also make certain that taxpayer dollars are spent wisely and that the system has real oversight and accountability."

To stretch administrative funds and promote program stability, the duration of the contract cycle under this RFP will increase from a two-year to a four-year period. To ensure accountability during the contract period, new performance guidelines strengthen DWD's ability to cancel contracts whenever necessary, as well as on an annual basis, for agency failure to meet agreed upon expectations.

The new contract period shall run from January 1, 2006 through December 31, 2009.

The program focus of the 2006-09 RFP is on:

- Ensuring that participants strengthen connections to employment, other available training opportunities and career ladders;
- Providing employment retention services; and,
- Providing assistance in obtaining federal SSI or SSDI support for participants facing multiple barriers.

The RFP also continues directives put into place by DWD since 2003 to strengthen monitoring, agency administrative operations and agency program management.

Changes for all W-2 Agencies

Improved Financial and Administrative Management

- Increased management and financial accountability for W-2 Agencies in financial reporting, cost reimbursement controls and cost oversight by limiting, prohibiting and/or requiring additional reporting for promotional expenses, telecommunications, executive compensation, legal services and retainers and rent;
- Requirement of fidelity bond backing from all private agencies to reimburse the state in the event an agency does not fulfill its contractual obligation;
- Performance based incentive reimbursement by DWD ensuring that large agencies earn final 20% of state allocation based on success in meeting program outcomes;
- New standards and incentives focusing on the successful outcomes of participants to obtain and retain employment; and,
- Increased oversight of agency governance for non-governmental agencies including operations of board of directors, bylaws, training and maintenance of records and minutes.

Improved Program Management

- New performance standards focusing on successful participant outcomes in areas including obtaining and retaining employment, enrollment in relevant job skills training and receiving eligibility for SSI/SSDI support;
- Increased requirements that agencies connect to local employers to expand job opportunities for W-2 participants;
- Increased requirements that agencies assist participants in retaining new jobs;
- New requirements that agencies ensure the provision of short-term skills training for participants, where appropriate, to ensure improved job placement success; and,
- New requirements that agencies integrate services with other workforce development and community support programs and providers in areas such as child welfare to better serve participants facing multiple challenges.

Changes for Milwaukee County W-2 Agencies

- Increased focus on effective participant workforce attachment through stronger connections with employers and the use of at least one Job Development and Placement Agency;
- Increased focus on the provision of effective case management services through at least one specialized Case Management Agency;
- Increased focus on expeditiously assisting people who are likely eligible for SSI/SSDI benefits through a specialized countywide SSI/SSDI Advocacy Agency;
- Creation of a Preferred Provider registry to be used by Milwaukee W-2 Agencies for providing specialized case services that will assure quality, cost savings and community involvement;
- Increased number of W-2 Agencies and, as a result, a reduction in the concentration of W-2 resources in a few entities whose performance could jeopardize the overall program; and,
- Creation of an Ombudsperson at DWD to support W-2 applicants and participants in rapidly addressing their needs and challenges in accessing W-2 services.

The RFP continues to encourage the formation of consortia, multiple agencies joining together to operate W-2, providing improved economies of scale and enhanced ability to meet participant needs and respond to changes in caseloads.

Those eligible to submit proposals under this RFP include, but are not limited to:

- Government agencies;
- Private, not-for-profit entities;
- Private, for profit entities;
- Tribal governing bodies; and,
- Consortia with one of the above as the lead agency.

The deadline for submitting proposals is July 29, 2005. DWD will review all proposals and enter into contracts with successful bidders.

A copy of the RFP and additional related information may be found at:

<http://dwd.wi.gov/dws/rfp/2006-2009/default.htm>.

Attachment (Milwaukee County W-2 Program Service Responsibility Areas)